

# ***Business & Enterprise Systems***

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## ***2016 PEO – CEO Conference***



***Focused on  
AF Enterprise Services***

**25 May 2016**

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# *Why are we here?*

- Secretary James, Gen Welsh and Ms. Costello have all made industry engagement a top priority in AF acquisition
  - The need for transparent/open communication has never been more important
- Weapon systems & defense business systems ARE different
- Business & Enterprise Systems Directorate has one of, if not the most diversified set of missions & customers of all PEOs
- We're all in this together – if we deploy business capability well, you do well and the warfighter's capability to protect our nation is enhanced



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# Agenda



- Overview of PEO BES
  - Who Am I
  - Vision, Mission, Challenges, etc...
- Update On
  - NETCENTS II
  - ITCC
  - Bending the Cost Curve
- Open, transparent and frank discussions

**FREQUENT COMMUNICATION BETWEEN AF AND  
INDUSTRY CAN BE A GAME CHANGER**



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# *Who I Am*



- **Served in the AF my entire life**
  - AF brat, wife AF brat
  - 28 yrs Active Duty/Reserve; joined Civil Service in 2006
- **Experience**
  - Operator (Space, MW/MD/SS, Cyber)
  - Program manager
  - Systems engineer
  - Sustainer/Logistics Planner
  - 2 COCOM (CENTCOM/USTC) staffs
  - Center Executive Director
  - Twice deployed (2005, 2008)

**So why me?**

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# *External Perspectives*



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- Mr. Kendall, OSD(AT&L): *“AF is struggling to execute IT”*
- Dr. LaPlante, SAF/AQ: *“...right time for an unconventional PEO choice for the unconventional portfolio”*
- Ms. Costello, SAF/AQ: *“...tailor acquisition process as makes sense, provide basis; no surprises; communicate early & often; make assumptions clear; manage expectations through transparency”*
- Functional Stakeholders: *“Gunter culture needs to change, SDDP is allowing us to look elsewhere to get our capability”*



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# ***BES Vision, Mission, Goals***



**Vision: Rapidly exploits technology, adopts innovation, fosters an agile workforce, and balances affordability with sufficient capacity and capability...enabling every Airman, every day to fly, fight, and win in air, space and cyberspace!**

**Mission: Rapidly acquire, operate, sustain and enable flexible, war-winning business systems capabilities.**



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# Goals



1. Recruit, develop & retain an agile workforce **(People)**
2. Strengthen Stakeholder relationships **(People)**
3. Drive flexibility & speed into our corporate processes **(Process)**
4. Remove non-value added policies & foster innovation through prototyping & incorporating disruptive technologies **(Policy)**
5. Incorporate portfolio, service, & capability management through an adaptive organizational structure **(Organization)**



# ***My Immediate Problem***



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- **AFLCMC BES will likely receive a large number of programs without additional personnel to do the new work**
- **We need to pool certain skill sets and talent to support across the enterprise rather than support program by program, but will be a challenge based on HR and FM rules/laws**
- **The current way we organize by program does not allow for efficient use of professional resources and does not necessarily align to BES organizational priorities**



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# ***Mission Drivers***



- **New Policies and drivers that you'll see influence BES program behaviors**
  - **AFMANs for Defense Business Systems and SDDP**
  - **DoD Source Selection Procedures**
  - **DOD Incentive Contract Guidance**
  - **USD AT&L "Should Schedule" Initiatives**
  - **BES Metrics Initiatives**



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# ***PM Expectations***



- **Responsible for Cost, Schedule, Performance**
- **To those to whom much is given...much is expected**
- **PMs will be empowered...but they will be held accountable**
- **We cannot rely on bridges, extensions and J&As as a result of lack of planning**
- **Healthy engagement with customers and industry partners**
- **PMs need to lead and manage their program**
  - **Contractor IMS is not your program IMS**
  - **Identify program risks and actively mitigate them**
- **Program fails...the entire community fails**
- **The Enterprise should be helping the PM be wildly successful**



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# ***Industry Expectations***



- **I recognize times are tough: smaller budgets; less work**
- **Deliver as promised**
  - **Don't bid one team/level of experience and use another to execute**
  - **It's not about winning the contract, it's about delivering capability**
  - **Delivering poor quality to recoup money in the maintenance releases is not a good business model**
- **I will drive stronger accountability in BES, externally next**
  - **PMRs**
  - **CPARs**
- **Need to eliminate improper, unhealthy relationships**
  - **Establishing "code of conduct"**
  - **There are 2d, 3d order effects (protests, longer time)**
  - **My bandwidth is very limited, identifying enterprise partners with PEO access**
- **Help us identify ways to incentivize/reward good performance**



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# Competition/Award Statistics



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- \$11.6M Avg. contract award value
- 4.3 yrs Avg. duration of contracts awarded
- 75% % of time draft RFP's are released
- 110 days Avg. time from RFP release to contract award
- 45 days Avg. duration to evaluate proposals
- 58% FFP contracts awarded (others-- FFP/Cost Plus mix)
- 6 Avg. # of NC-2 proposals received per effort
- Percentage of Awards by BES 3ltr:
  - HIB – 45%
  - HIA – 40%
  - HIZ – 10%
  - HIC – 5%

**Based on data collected since May 16; 20 Total Awards**

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# ***BES Myth Busting***

Things we have heard but aren't always true:

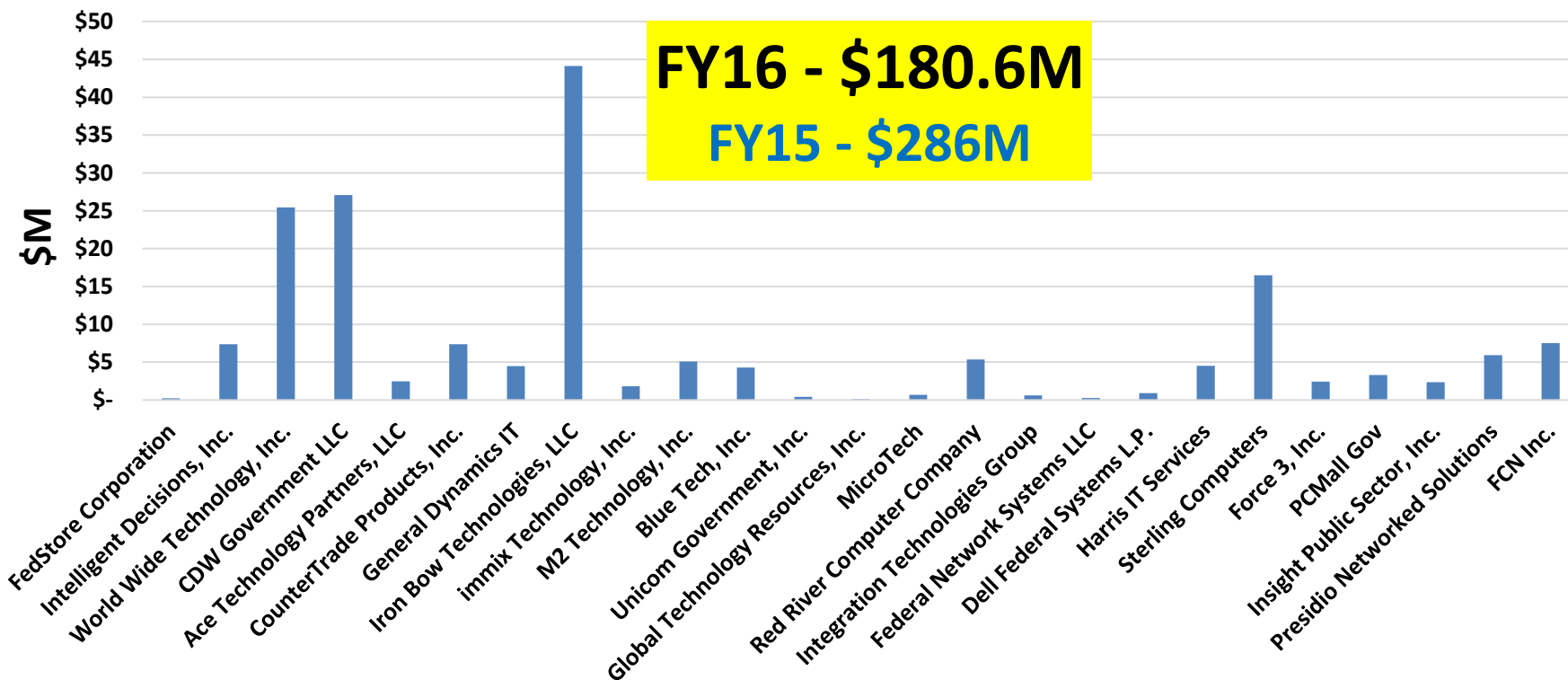
- **Statement:** “BES uses LPTA for the majority of their competitions”  
***Fact:*** 31% of the awards over the last year have been LPTA
- **Statement:** “Even if not LPTA, they are treated as such & awarded to the lowest bidder”  
***Fact:*** The lowest bidder only won 23% of the time
- **Statement:** “Acquisitions are shaped to benefit the incumbent & they typically win”  
***Fact:*** The incumbent or incumbent teamed with the awardee won 38% of the time
- **Statement:** “RFP quality is poor and lacks info about the rqmt”  
***Fact:*** DRFP's are released 81% of the time & programs get very little feedback for corrections – we need industry input!

Source: AFLCMC/HID (Acquisition Support Office)



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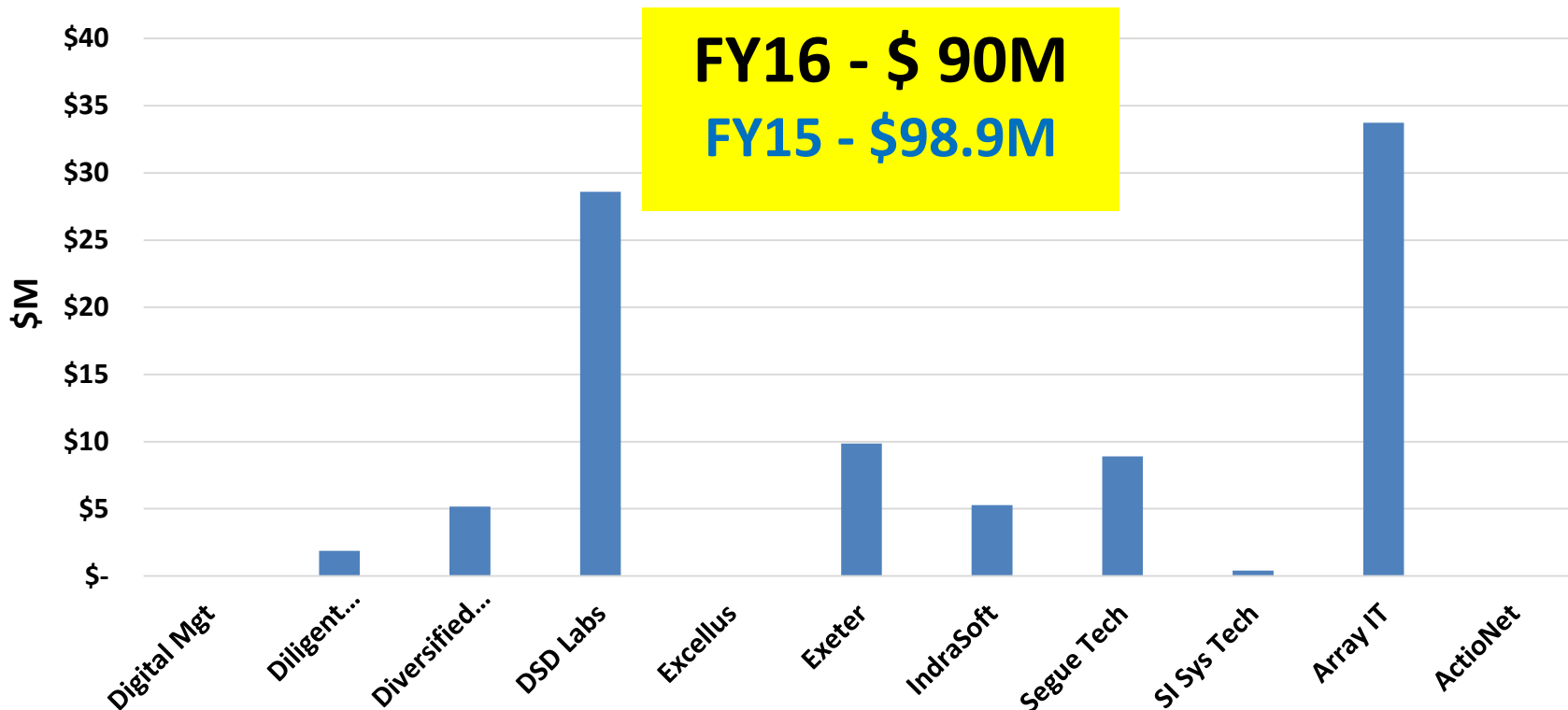
# NC-2 Products – FY16 Total Sales





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# NC-2 Application Services – Small Business FY16 Total Sales





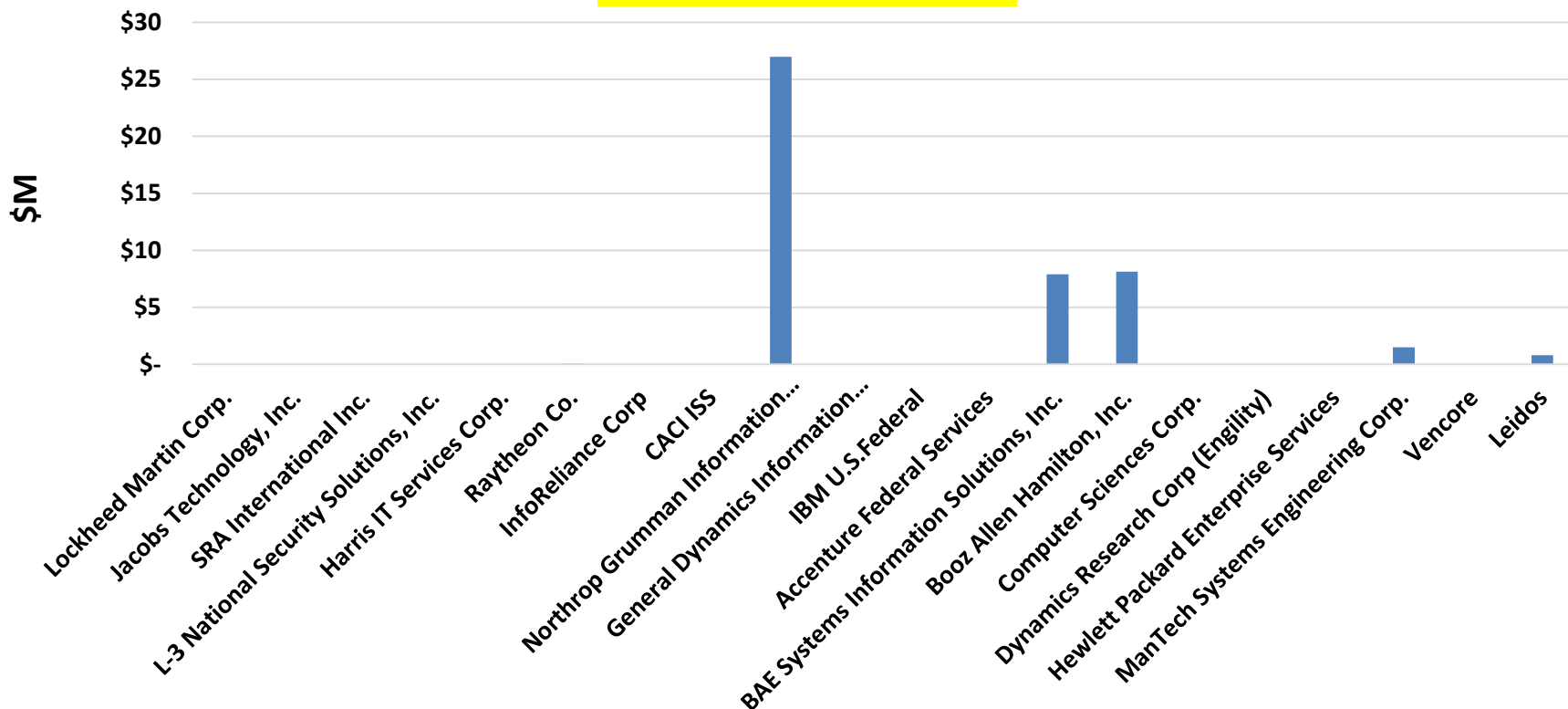
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# NC-2 Application Services – Full and Open FY16 Total Sales



**FY16 - \$14.3M**

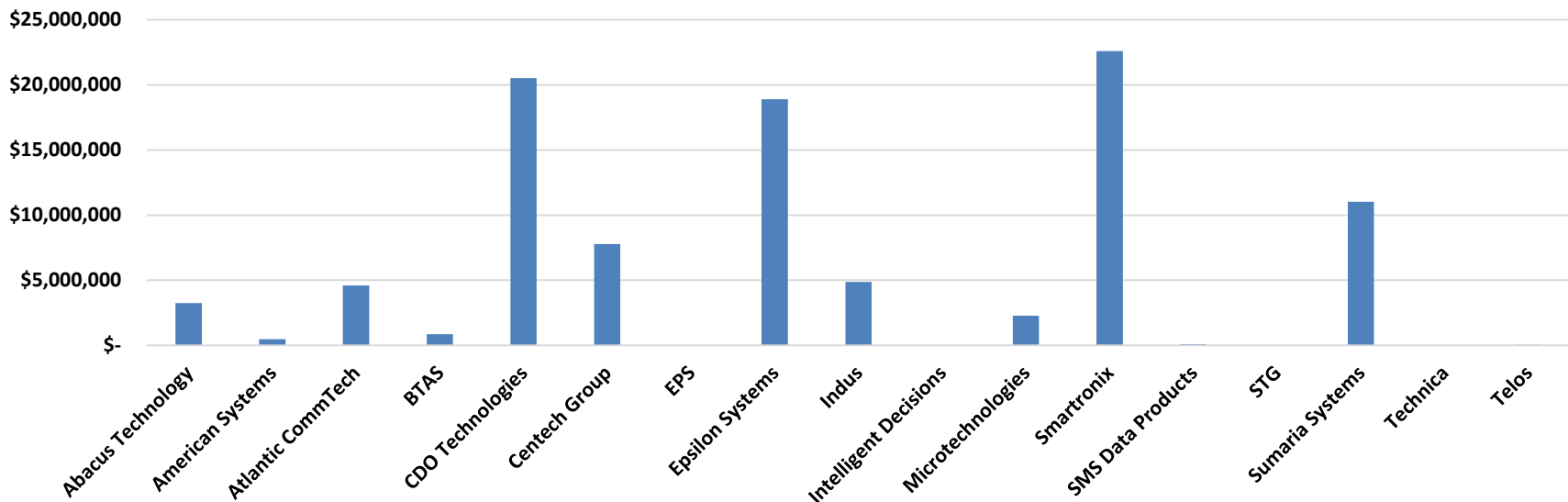
**FY15 - \$105.8K**



# NC-2 Net Ops SB FY16 Total Sales



**FY16 - \$97.2M**  
**FY15 - \$0**

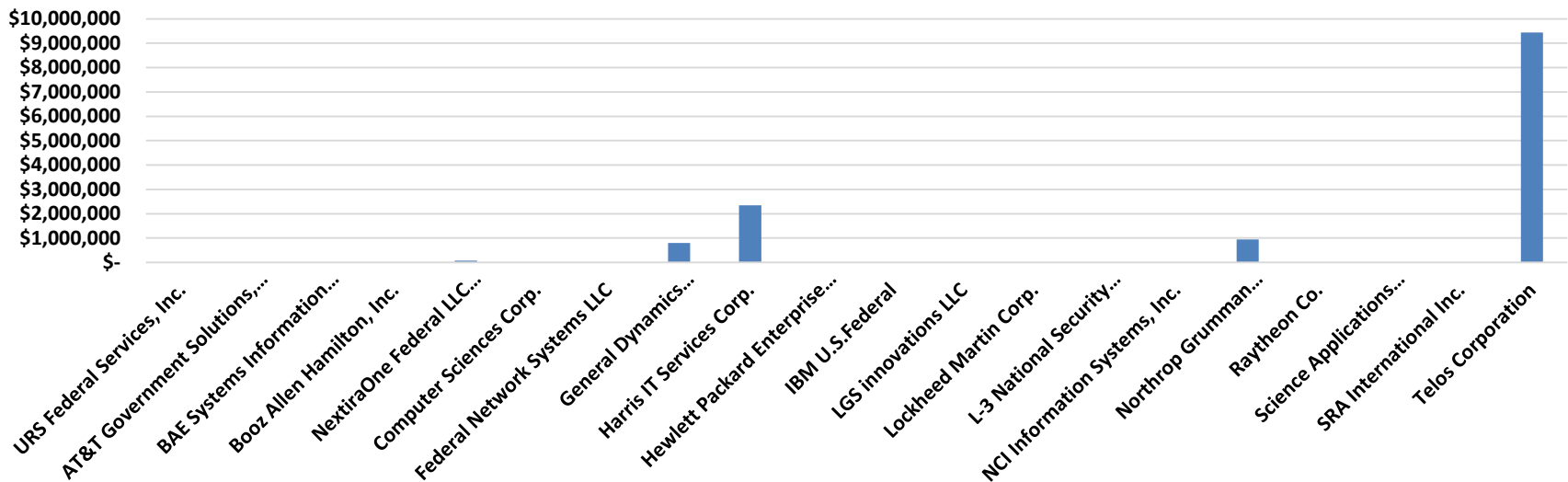




# NC-2 Net Ops F&O FY16 Total Sales



**FY16 - \$13.6M**  
**FY15 - \$50K**







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# Information Technology Commodity Council



## Program Summary

The AF enterprise focal point for strategically sourced IT commodity contracts that support AF and DoD initiatives like Category Management and BBP 3.0 strategies through the use of agile sourcing and innovative strategic solutions developed by multi-skilled professionals who anticipate and deliver superior war-fighting IT technology at the best price!

- **Acquisition Approach:** BPA (GSA Schedule 70 & 36), IDIQ
- **Timeframe:** 5 years

### Customers:

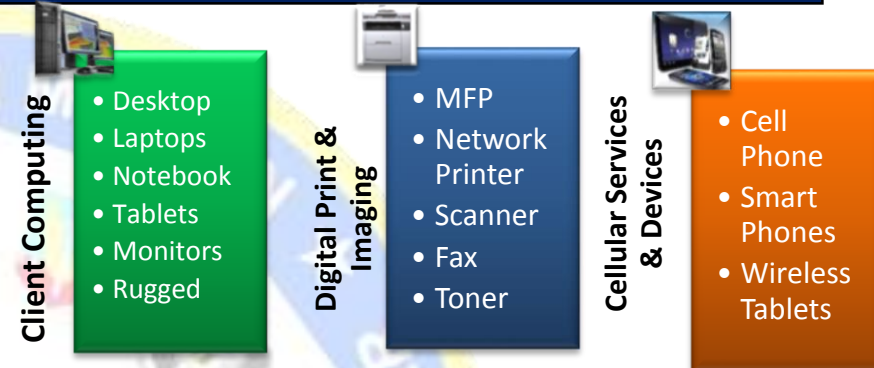
DoD, SAF/CIO A6, SAF/AQC, WHCA, Field Users, MAJCOMS

## Capabilities

**ITCC contains world class market experts that...**

- Lead strategic sourcing for commodity IT products
- Employ strategies that support Category Management & enable BBP 3.0 initiatives
- Structure contracts mandating AFNET security compliance and device standardization (AFECMO/Standard Desktop)
- Reduce Total Cost of Ownership for AF enterprise
- Enable Gov/Industry streamlined ordering via AFWay portal

## ITCC Program Scope



### Major Initiatives:

- CCS re-compete (CCS-2)
- Joint Army/AF Cellular re-compete
- QEB 2016a & eTools 2016
- New commodity items

## Statistics

### Total IT Spend & Avoidance since 2003

- Total IT Spend: \$2.207Bn
- Total IT Cost Avoidance: \$549M

### Cost Avoidance (2015)

Fiscal Year	Total Spend	SB %	Total Cost Avoidance
CCS	\$163,507,035	53.31%	\$28,746,508
DPI	\$20,749,878	50.37%	\$8,083,707
CSD	\$31,523,501	NA	\$2,275,358

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# Software Enterprise Acquisition Management & Lifecycle Support (SEAMLS) Program Overview



## Description

**SEAMLS** provides acquisition and license management of the Air Force Oracle Enterprise License Agreements (ELAs), Microsoft and Adobe Joint Enterprise License Agreements (JELAs); and supports the DoD Enterprise Software Initiative (ESI)

**CUSTOMERS:** Department of Defense, SAF/A6, AFSPC/A6, MAJCOMs, COCOMs, Field Users, & other Federal and State Government Agencies

## RFP/RFQs

- **RFPs/RFQs:** DISA plans to release RFQs for various JELA activities

## Current Initiatives/Upcoming Milestones

- Telos Follow-on BPA awarded 5 May 2016
- Cisco JELA (Jun 2016)
- SEAMLS Support Contract (Jul 2016)
- AF Oracle ESLA (Aug 2016)
- Adobe JELA 2 (Sep 2016)
- Microsoft JELA 2 (Nov 2016)
- Gartner (Jul 2017)
- VMWare JELA (TBD)

## Key Staff

- **PM:** Mr. Ben Burns
- **KA:** Ms. Lashunya Johnson-Vinson, Ms. Yakemi McKinnis & Mr. Adam Golden
- **FM:** Mr. Ricky Blackmon & Mr. Thomas Shipman
- **EN:** Vacant



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## ***AF IT Business Analytics Office***



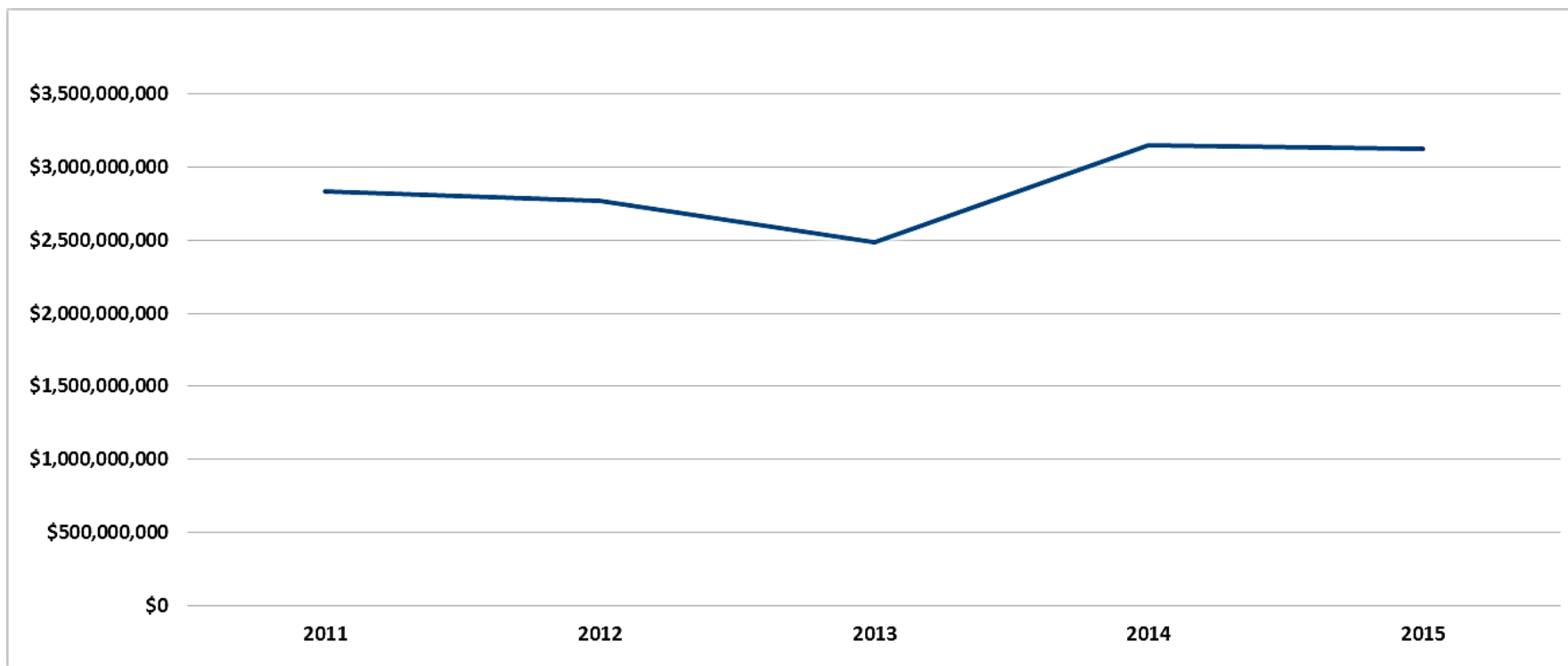


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# IT Cost Curve Baseline



Based on IT Contract Vehicle Spend – FY15 ~ 3.1B



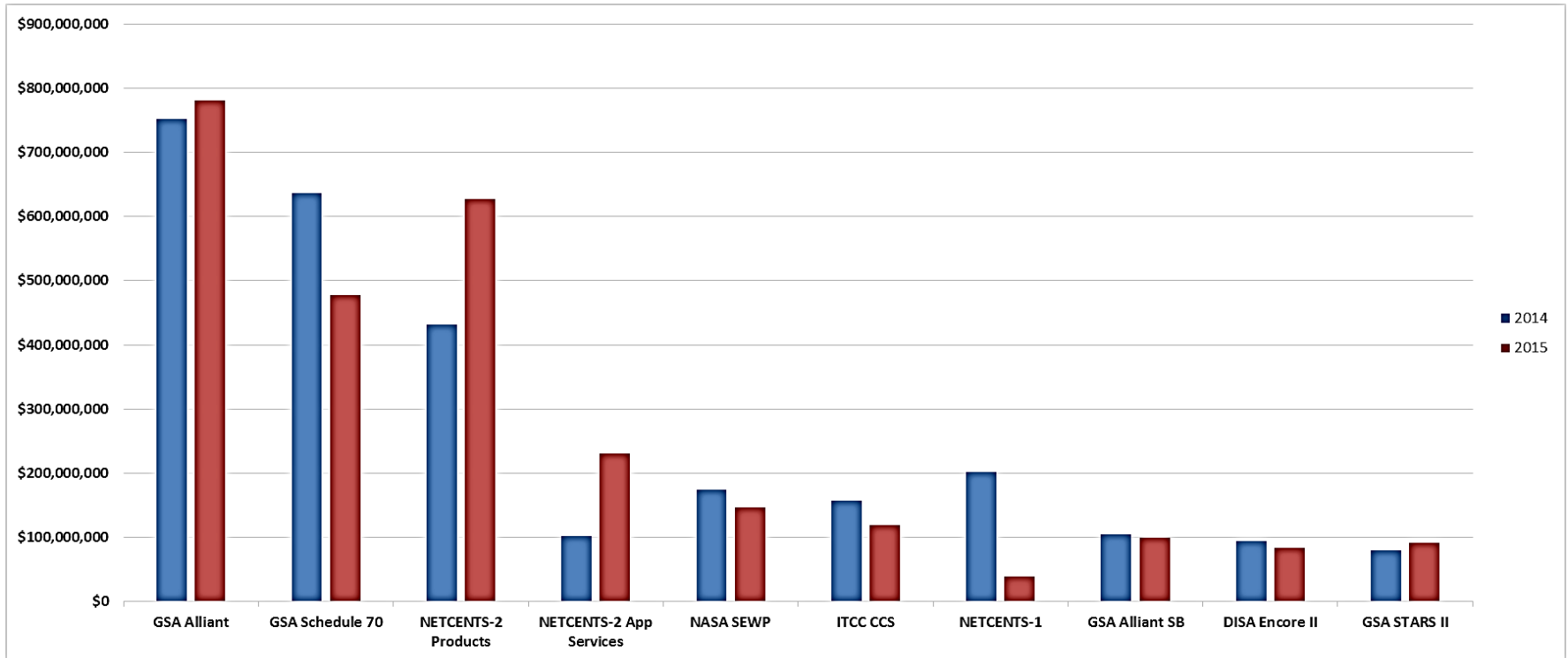
Data from FPDS-NG as 22 Apr 2016



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# Where the Money Went

## Top 10 Contract Vehicles



Data from FPDS-NG as of 22 Apr 16

FY14 Total Spend = \$2.7B

FY15 Total Spend = \$2.7B



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# ***AF IT Category Management***



- **OMB Category Management**
  - Established 6 categories for IT - Hardware, Software, Telecommunications, Security, Consulting, and Outsourcing
- **AF IT BAO Category Management**
  - Builds upon OMB's Tier 2 high level categories
  - Categorizes data down to Tier 4 (i.e., IT, Hardware, Desktop, Tower)
  - Populates spend based on Master IT Contract Vehicle list and AFEMS-AIM
- **Hardware Categorization Done**
  - 2.9M items in AFEMS-AIM
  - Less than 1% not categorized
  - Working with HAF/A4 and PMO to modify AFEMS-AIM
- **Remaining 5 areas to categorize**
  - Software, Security, Consulting, Telecommunications, Outsourcing



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# ***Findings to Date***



- **Potential savings identified to date:**
  - **Use warehoused assets to refresh EOL assets: -\$133M**
  - **Standardize refresh cycle (no early discontinued use): -\$24.5M**
  - **Commoditize Top 10 Models: -\$67.9M**
  - **Enforce mandatory use policies: -\$140M (based on FY15 spend to contracts in scope of NC2 Products & the ITCC)**
  - **Centralize computer refreshes: -\$200M**

**Total Cost Avoidance Identified to Date:**

**\$565.4M 18% of \$3.1B Cost Curve**



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# *What's On Your Mind*



- We have shared with you:
  - The journey BES is now on
  - The trends of NC-2, the ITCC and our SEAMLS efforts
  - Shared the BES Directorate's 5 point goals
- We must partner to make the transformation meaningful and personal
- We're all in this together – if we deploy business capability well, you do well and the warfighter's capability to protect our nation is enhanced
- What's On Your Mind?